

**Quarterly Report (Un-Audited)  
For the Period ended March 31, 2022  
KSB Pumps Company Limited**



**Y E A R S**

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# Company Information

## Board of Directors

Dr. Sven Baumgarten	Chairman
Imran Ghani	Chief Executive Officer / MD
Asif Malik	
Dieter Antonius Pott	
Ayesha Aziz	
Hasan Aziz Bilgrami	
Shezada Mazhar	
Jamal Nasim	

## Company Secretary

Faisal Aman Khan

## Management

Imran Ghani	Chief Executive Officer /MD
Syed Tariq Ali	Director Operations
Muhammad Imran Malik	Director Sales & Strategic Marketing
Omar Saljouk	General Manager Services
Faryal Zafar	Chief Financial Officer
Fida Hussain	General Manager Operations
Imran Ahmed	General Manager Supply Chain & Business Controlling
Faisal Aman Khan	Company Secretary

## Auditors

A.F. Ferguson & Co.	Chartered Accountants
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## Legal Advisors

Mandviwala & Zafar

## Bankers

Allied Bank Limited  
 BankIslami Pakistan Limited  
 Bank Alfalah Limited  
 Deutsche Bank AG  
 Habib Bank Limited  
 MCB Bank Limited  
 National Bank of Pakistan  
 United Bank Limited  
 Meezan Bank Limited  
 Bank Al Habib Limited

## Audit Committee

Jamal Nasim	Chairman
Dieter Antonius Pott	Member
Shezada Mazhar	Member

## Secretary Audit Committee

Saeed Hussain

## HR & R Committee

Shezada Mazhar	Chairman
Imran Ghani	Member
Hasan Aziz Bilgrami	Member

## Secretary HR & R Committee

Shahzad Saleem

## Registered Office

16/2 Sir Aga Khan Road, Lahore - 54000.  
 Ph: (042) 36304173, 36370969  
 Fax: (042) 36368878, 36366192  
 Email: info@ksb.com.pk

## Works

Hazara Road, Hassanabdal  
 Ph: (057) 2520236  
 Fax: (057) 2520237  
 Email: info@ksb.com.pk

## Share Registrar

C DC Share Registrar Services Limited  
 CDC House, 99-B, Block B, SMCHS  
 Shahra-e-Faisal, Karachi-74400  
 Tel: (021) 111-111-500  
 Fax: (021) 34326053

## Sales Offices

### Lahore

16/2 Sir Aga Khan Road Lahore.  
Ph: (042) 111 572 786, 36304173  
Fax: (042) 36366192, 36368878  
Email: info@ksb.com.pk

### Multan

Golden Heights, Nusrat Road, Multan.  
Ph: (061) 111 572 786 Fax: (061) 4541784  
Email: info@ksb.com.pk

### Rawalpindi

Racecourse Landmark, 299-A, Main  
Peshawar Road, Rawalpindi Cantt  
Tel: +92 51 5491481-82 Fax: +92 51 5491237  
Email: info@ksb.com.pk

### Karachi

307 & 308, 3rd Floor Parsa Tower, Block 6,  
PECHS Shahrah-e-Faisal, Karachi  
Ph: (021) 111 572 786 Fax: (021) 34388302  
Email: info@ksb.com.pk

## KSB Exclusive Partners

Sr.	Channel	City	Location	Province	Partners	Contact#	Email
1	Dominar Engineers	Lahore	65-A Ferozpur Road Link Samanabad Road, near LOS	Punjab	Hammad Malik/ Syed Mehdi	0302-8744449/8 042-37500078	hammad.malik@de.com.pk
2	Industrial Development & Engineering Associates	Karachi	20-C Mezzanine Floor, Indus Centre 14th Com st PH-II DHA	Sindh	Saqib Khawaja	0300-8203077 021-35390481/2	saquib@idea.com.pk
3	Wali Muhammad & Co.	Quetta	Zonkiram Road Near Millennium Mall	Balochistan	Wali Muhammad	0300-8387668 081-2829635	gulistanmachinery@yahoo.com
4	B&I Engineering	Lahore	House # 6-E Skindar Mali Road Gulberg II, Lahore	Punjab	Imran Yousaf Arbab Bilal	0300-4056939 042-32801273	imran@biengr.com
5	Modern Technology & Traders	Karachi	4th Floor, Building # 11-C/2 Lane-11 Bukhari Commercial DHA Phase-6	Sindh	Abdul Qayyum	0333-7299905 0311-1000953 021-35156121-4	qayoomshaikh3@gmail.com

## DIRECTORS' REVIEW

I am pleased to present the financial statements of KSB Pumps Company Limited for the 1st quarter ended March 31, 2022.

After posting a strong growth of 5.6% in fiscal year 2021, GDP outlook for Pakistan is expected to slow down at around 4% in FY 2022 (Source: ADB). Inflation shows upward trend and forecast for the fiscal year 2022 remains elevated at around 11% before contraction in year 2023. Increase in global commodity prices and uncertainty, in the wake of Russia-Ukraine conflict, further weigh on the overall performance of Pakistan economy. Further fuel price and electricity tariff increase is on the cards. Considering the current deteriorating situation, and recent political instability resulting into sharp rupee depreciation, the state bank of Pakistan has raised the policy rate to 12.25%. This will affect overall business activity in the country and have further slowdown impacts.

KSB Pakistan has achieved a turnover of PKR 1,194 mio for the 1st quarter ended on March 31, 2022, a significant increase of 29%. Profit before tax remained PKR 10.8 mio and profit after tax PKR 3.8 mio, with earning per share of Rs. 0.29.

Going forward, business prospects in both the public and private sector look positive, however the realization is subject to improvement in external situation.

The board would like to acknowledge the dedication and hard work by entire KSB team to achieve positive business results in the 1st quarter and wish them all the best for the year 2022.



**Imran Ghani**  
MD/Chief Executive Officer

27th April, 2022  
Lahore, Pakistan

## Condensed Interim Statement of Financial Position (Un-audited) As at March 31, 2022

EQUITY AND LIABILITIES	Note	March 31, 2022	December 31, 2021
<b>SHARE CAPITAL AND RESERVES</b>			
(Rupees in thousand)			
Authorised capital 15,000,000 (2021: 15,000,000) ordinary shares of Rs 10 each		150,000	150,000
Issued, subscribed and paid up capital		132,000	132,000
Reserves	5	1,858,451	1,854,569
		1,990,451	1,986,569
<b>NON CURRENT LIABILITIES</b>			
Long term finances - secured	6	-	-
Deferred grant		-	-
Employees' retirement and other benefits		70,619	76,773
Deferred taxation		-	-
		70,619	76,773
Current portion of long term finances - secured		190,894	255,746
Current portion of deferred grant		1,899	4,219
Short term finances - secured		1,714,463	1,575,741
Trade and other payables		1,910,670	1,871,993
Contract Liability		3,697	21,615
Unclaimed dividend		10,041	10,110
Due to provident fund		5,487	5,109
Provisions for other liabilities and charges		63,956	70,007
		3,901,107	3,814,540
<b>CONTINGENCIES AND COMMITMENTS</b>			
	7	5,962,177	5,877,882

The annexed notes 1 to 12 form an integral part of this condensed interim financial information.



Chief Executive



Chief Financial Officer



Director

<b>ASSETS</b>	<b>Note</b>	<b>March 31, 2022</b>	<b>December 31, 2021</b>
<b>NON-CURRENT ASSETS</b>			
<b>(Rupees in thousand)</b>			
Property, plant and equipment	8	915,008	925,375
Investment property		-	-
Intangible assets		4,072	5,534
Capital work in progress		51,655	68,467
Long term loans and deposits		13,491	13,306
Deferred taxation		39,401	31,899
		1,023,627	1,044,581
<b>CURRENT ASSETS</b>			
Stores, spares and loose tools		151,487	119,634
Stock in trade		1,540,428	1,444,510
Trade debts		1,563,819	1,586,952
Contract Asset		613,582	570,062
Advances, deposits, prepayments and other receivables		893,022	852,616
Cash and bank balances		176,212	259,527
		4,938,550	4,833,301
		<u>5,962,177</u>	<u>5,877,882</u>

  
Chief Executive

  
Chief Financial Officer

  
Director

## Condensed Interim Statement Of Profit Or Loss And Other Comprehensive Income (Un-Audited) for the 1st Quarter ended March 31, 2022

	Note	March 31, 2022	March 31, 2021
(Rupees in thousand)			
Sales		1,194,352	929,265
Cost of sales		(1,003,036)	(794,203)
<b>Gross profit</b>		191,316	135,062
Distribution and marketing expenses		(101,496)	(78,509)
Administration expenses		(47,580)	(60,814)
Other operating expenses		-	-
Other operating income		14,302	34,217
<b>Profit / (Loss) from operations</b>		56,542	29,956
Finance cost		(45,789)	(23,389)
<b>Profit / (Loss) before taxation</b>		10,753	6,567
Taxation		(6,871)	(4,339)
<b>Profit / (Loss) for the period</b>		3,882	2,228
<b>Other comprehensive income/ (loss):</b>			
Items not to be reclassified to profit or loss in subsequent periods:			
Remeasurement of defined benefit plans - net of tax		-	-
<b>Total comprehensive income for the year</b>		3,882	2,228
<b>Earnings / (Loss) per share - basic &amp; diluted Rupees</b>		0.29	0.17

The annexed notes 1 to 12 form an integral part of this condensed interim financial information.

  
Chief Executive

  
Chief Financial Officer

  
Director



## Condensed Interim Statement of Changes In Equity (Un-Audited) for the 1st Quarter ended March 31, 2022

	Share Capital	General Reserves	Unappropriated Profit	Total
	(Rupees in thousand)			
<b>Balance as at January 1, 2021</b>	132,000	1,805,600	29,512	1,967,112
Total comprehensive income/(loss) for the period	-	-	2,228	2,228
<b>Balance as at March 31, 2021</b>	132,000	1,805,600	31,740	1,969,340
Final dividend for the year ended December 31, 2020 Rs 0.5 per share	-	-	(6,600)	(6,600)
Transfer to general reserve	-	22,500	(22,500)	-
Total comprehensive income/(loss) for the period	-	-	23,829	23,829
<b>Balance as at December 31, 2021</b>	132,000	1,828,100	26,469	1,986,569
Total comprehensive income / (Loss) for the period	-	-	3,882	3,882
<b>Balance as at March 31, 2022</b>	132,000	1,828,100	30,351	1,990,451

The annexed notes 1 to 12 form an integral part of this condensed interim financial information.

  
Chief Executive

  
Chief Financial Officer

  
Director

## Condensed Interim Cash Flow Statement (Un-Audited) for the 1st Quarter ended March 31, 2022

	Note	January to March	
		2022	2021
<b>(Rupees in thousand)</b>			
<b>Cash flows from operating activities</b>			
Cash generated from / (used in) operations	9	(80,560)	(66,369)
Finance costs paid		(36,416)	(26,380)
Taxes paid		(18,222)	(12,004)
Employees' retirement and other benefits paid		(13,557)	(6,162)
Net (increase) / decrease in long term loans and deposits		(185)	(1,673)
<b>Net cash (used in) operating activities</b>		<b>(148,940)</b>	<b>(112,588)</b>
<b>Cash flows from investing activities</b>			
Fixed capital expenditure		(15,638)	(6,938)
Proceeds from sale of property, plant and equipment		7,462	-
<b>Net cash used in investing activities</b>		<b>(8,176)</b>	<b>(6,938)</b>
<b>Cash flows from Financing activities</b>			
Long term loan-secured		(64,852)	(29,875)
Dividend paid		(69)	(13)
<b>Net cash used in financing activities</b>		<b>(64,921)</b>	<b>(29,888)</b>
<b>Net (decrease)/increase in cash and cash equivalents</b>		<b>(222,037)</b>	<b>(149,414)</b>
<b>Cash and cash equivalents at the beginning of the period</b>		<b>(1,316,214)</b>	<b>(604,193)</b>
<b>Cash and cash equivalents at the end of the period</b>	10	<b>(1,538,251)</b>	<b>(753,607)</b>

The annexed notes 1 to 12 form an integral part of this condensed interim financial information.



Chief Executive



Chief Financial Officer



Director

# Notes To And Forming Part Of The Condensed Interim Financial Information For The For the 1st Quarter ended March 31, 2022

## 1. Legal status and nature of business

KSB Pumps Company Limited (a KSB group company) 'The Company' was incorporated in Pakistan on July 18, 1959 under the Companies Act, 1913 (now Companies Act, 2017) and is listed on the Pakistan Stock Exchange Limited. The Company is a subsidiary of KSB SE & Co. KGaA and principally engaged in the manufacture and sale of industrial pumps, valves, castings and related parts and provision of after market services. The registered office of the Company is situated at KSB Building, 16/2 Sir Agha Khan road, Lahore. The factory of the Company is situated at Hazara Road, Hassanabdal. The Company also has regional offices located in Lahore, Rawalpindi, Karachi and Multan.

## 2. Basis of preparation

2.1 These condensed interim financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for Interim financial reporting. The accounting and reporting standards applicable in Pakistan for interim financial reporting comprise of:

'- International Accounting Standards (IAS) 34 issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017; and

'- Provisions of and directives issued under the Companies Act, 2017.

Where the provisions of and directives issued under the Companies Act, 2017 differ from the requirements of IAS 34, the provisions of and directives issued under the Companies Act, 2017 have been followed.

2.2 These Condensed interim financial statements do not include all the information and disclosures as required in the annual financial statements and should be read in conjunction with the Company's annual audited financial statements for the year ended 31 December, 2020.

## 3. Significant accounting policies

'The accounting policies and methods of computations adopted for the preparation of these condensed interim financial statements are the same as applied in the preparation of the preceding audited annual published financial statements of the Company for the year ended 31 December 2021.

## 4. Significant accounting judgments, estimates and assumptions

'The preparation of these condensed interim financial statements in conformity with the approved accounting standards require the use of certain critical accounting estimates. It also requires the management to exercise its judgment in the process of applying the Company's accounting policies. Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

During preparation of these condensed interim financial statements, the significant judgments made by the management in applying the Company's accounting policies and the key sources of estimation and uncertainty were the same as those that applied in the preceding audited annual financial statements of the Company for the year ended 31 December 2021.

	Note	March 31, 2022	December 31, 2021
<b>(Rupees in thousand)</b>			
<b>5 Reserves</b>			
General reserve		1,828,100	1,828,100
Unappropriated profit		30,351	26,469
		<u>1,858,451</u>	<u>1,854,569</u>

## 6. Long Term Finance - Secured

During the prior years, the long term finance was obtained in the form of Diminishing Musharika from Bank Islami Pakistan Limited for the purpose of expansion of foundry amounting to Rs 500 million. Under the arrangement, principal amount of Rs 500 million is repayable in 16 equal quarterly instalments beginning on February 16, 2018. During the year ended December 31, 2020, pursuant to State Bank of Pakistan circular No 13 dated March 26, 2020 the Company has obtained one year deferment of repayment of principal amount from Bank Islami Pakistan Limited. Interest is payable quarterly in arrears at the rate of 3 months KIBOR plus 0.10 percent per annum. The average effective rate of markup charged during the year is 7.73% per annum (2020: 10.05% per annum). The amount is secured by way of exclusive charge over specific plant and machinery amounting to Rs 500 million. As at December 31, 2021 the Company has repaid an amount of Rs 375 million (2020: 281.25 million).

### 6.1

During the year ended December 31, 2020, the Company availed the State Bank of Pakistan Refinance Scheme for payment of salaries and wages from Allied Bank Limited with a limit of Rs 271.00 million. The loan is repayable in 8 equal quarterly installments starting from February 3, 2021 with a grace period of six months. The finance is secured by exclusive equitable mortgage charge over land and buildings situated at KSB Pumps Company Limited head office upto an amount of Rs 213.00 million and the remaining short fall is covered temporarily through a stop gap arrangement by reducing the running finance facility until any other security is furnished to the bank. Subsequent to the approval of the State Bank of Pakistan, the facility carried interest rate of 1% per annum. The effective rate of interest used for discounting of the loan is 7.7% per annum (2020: 7.7% per annum). As at December 31, 2021 the Company has repaid an amount of Rs 134.41 million (2020: Nil).

## 7. Contingencies and commitments

### 7.1 Contingencies

The company has obtained bank guarantees of Rs. 722.30 million (December 2021: Rs 784.04 million) against the performance of various contracts.

### 7.2 Commitments in respect of

Letters of credit other than for capital expenditure approximately Rs. 387.60 million (December 2021: Rs. 307.30 million).

	Note	March 31, 2022	December 31, 2021
<b>(Rupees in thousand)</b>			
<b>8 Property, plant and equipment</b>			
Opening net book value		925,375	1,050,901
Additions during the period	- note 8.1	32,449	44,721
Deletions during the period		(6,789)	(22,274)
		<u>951,035</u>	<u>1,073,348</u>
Depreciation charged during the period		(36,027)	(147,973)
Closing net book value		<u>915,008</u>	<u>925,375</u>

Note	March 31, 2022	December 31, 2021
	(Rupees in thousand)	
<b>8.1 Additions during the period</b>		
Plant and machinery	-	12,534
Tools, jigs and attachments	-	421
Patterns	-	-
Other equipments	7,811	13,408
Office machine & appliances	1,929	11,603
Vehicles	22,445	2,555
	<u>32,449</u>	<u>44,721</u>

Note	March 31, 2022	March 31, 2021
	(Rupees in thousand)	
<b>9. Cash generated from operations</b>		
Profit before taxation	10,753	6,567
Adjustment of non-cash items:		
Depreciation on property, plant and equipment	36,027	37,243
Depreciation on Intangible assets	1,463	2,185
Profit on sale of property, plant and equipment	(673)	-
Employees' retirement and other benefits	7,403	6,056
Provision for doubtful debts & receivables	5,400	2,680
Recognition of deferred government grant	(2,320)	(37,26)
Stock-in-trade written off	1,500	1,500
Provisions no longer considered necessary	-	(22,148)
Finance cost	45,789	23,389
Exchange (gain)/loss	(7,352)	(2,867)
<b>Profit before working capital changes</b>	<u>97,990</u>	<u>50,879</u>

#### Effect of cash flow due to working capital changes

(Increase)/decrease in current assets:		
Stores, spares and spares	(31,853)	(7,595)
Stock-in-trade	(97,418)	(35,898)
Trade debts	38,791	(26,016)
Contract asset	(46,355)	(36,852)
Advances, deposits, prepayments and other receivables	(37,022)	40,054
Increase/(decrease) in current liabilities:		
Trade and other payables	18,898	32,640
Contract liability	(17,918)	(1,761)
Due to provident fund	378	158
Provisions for other liabilities and charges	(6,051)	(1,870)
	<u>(178,550)</u>	<u>(117,248)</u>
	<u>(80,560)</u>	<u>(66,369)</u>

**10. Cash and cash equivalents**

Cash and bank balances	176,212	101,540
Short term running finances - secured	(1,714,463)	(855,147)
	<u>(1,538,251)</u>	<u>(753,607)</u>

**11. Transactions with related party**

	Note	March 31, 2022	December 31, 2021
(Rupees in thousand)			
Purchase of goods and services		111,467	68,357
Sale of goods and services		214,199	115,508
Commission income		332	1,177
Commission expense		19,820	8,726
Royalty & Trademark		11,616	3,935
Expense charged in respect of retirement and other benefits		8,194	6,056
Key management personnel & executives compensation		81,763	63,882

	Note	March 31, 2022	December 31, 2021
(Rupees in thousand)			
Period-end balances			
Receivable from related parties		265,405	226,993
Payable to related parties		380,596	348,669

**12. Date of authorization for issue**

This condensed interim financial information was authorized for issue on April 27, 2022 by the Board of Directors of the company.



Chief Executive



Chief Financial Officer



Director

## حصص داران کے لیے مجلسِ نظاماء کی رپورٹ

مجھے 31 مارچ 2022 کو ختم ہونے والی پہلی سہ ماہی کے لیے KSB پمپس کمپنی لمیٹڈ کے مالی گوشوارے پیش کرتے ہوئے خوشی ہو رہی ہے۔

مالی سال 2021 میں 5.6 فیصد کی مستحکم نمو کے بعد، مالی سال 2022 میں پاکستان کے لیے جی ڈی پی نقطہ نظر تقریباً 4 فیصد تک کم ہونے کی توقع ہے (ماخذ: ADB)۔ افراط زر کی شرح میں اضافے کا رجحان ظاہر ہوتا ہے اور مالی سال 2022 کے لیے پیشن گوئی سال 2023 میں سکڑاؤ سے پہلے تقریباً 11 فیصد پر برقرار ہے گی۔ روس اور یوکرین تنازع کے تناظر میں اشیاء کی عالمی قیمتوں میں اضافہ اور غیر یقینی صورتحال، پاکستان کی معیشت کی مجموعی کارکردگی پر مزید اثر ڈالتی ہے۔ مزید ابندھن کی قیمت اور بجلی کے نرخوں میں اضافہ کارڈز پر ہے۔ موجودہ بگڑتی ہوئی صورتحال، اور حالیہ سیاسی عدم استحکام کے نتیجے میں روپے کی قدر میں تیزی سے کمی کو دیکھتے ہوئے، اسٹیٹ بینک آف پاکستان نے پالیسی شرح کو بڑھا کر 12.25 فیصد کر دیا ہے۔ اس سے ملک میں مجموعی کاروباری سرگرمیاں متاثر ہوں گی اور مزید سست روی کے اثرات مرتب ہوں گے۔

KSB پاکستان نے 31 مارچ 2022 کو ختم ہونے والی پہلی سہ ماہی میں 1,194 ملین روپے کا ٹرن اوور حاصل کیا ہے، جو کہ 29% کا نمایاں اضافہ ہے۔ ٹیکس سے پہلے منافع 10.8 ملین روپے اور بعد از ٹیکس منافع 3.8 ملین روپے، فی حصص آمدنی 0.29 روپے رہی ہے۔

آگے بڑھتے ہوئے، سرکاری اور نجی دونوں شعبوں میں کاروباری امکانات مثبت نظر آتے ہیں، تاہم اس کا حصول بیرونی صورتحال میں بہتری سے مشروط ہے۔

بورڈ پہلی سہ ماہی میں مثبت کاروباری نتائج حاصل کرنے کے لیے KSB کی پوری ٹیم کی لگن اور محنت کو سراہتا ہے اور سال 2022 میں ان کے لیے نیک خواہشات کا اظہار کرتا ہے۔

منجانب بورڈ

*M. A. Karim*

عمران غنی

ایم ڈی / چیف ایگزیکٹو آفیسر

27 اپریل 2022

لاہور، پاکستان

**BOOK POST  
PRINTED MATTER**

**To:**



**KSB Pumps Company Limited**  
Head Office: 16/2, Sir Aga Khan Road, Lahore.  
UAN: +92-42-111-572-786, Tel: +92-42-36304173-74  
Fax: +92-42-36366192, 36368878  
Email: [info@ksb.com.pk](mailto:info@ksb.com.pk) [www.ksb.com.pk](http://www.ksb.com.pk)